

ARTISANAL FISHERIES BUSINESS TRAINING PROJECT

Application under RFA/APS#1000000

1. Background: The coastal regions offer excellent conditions for the development of the artisanal fishing industry. The main features of the artisanal fisheries sub-sector can be summarized as:

- a) Smaller open boats rarely with out-board engine operated on a daily basis;
- b) Simple and unreliable fishing technologies to access and efficiently exploit fish resources
- c) Modest catch per trip of 150-400 Kg;
- d) No deck mechanization nor navigational and/or fish finding electronics;
- e) Low capital intensity per unit of production per fisherman's job and per unit of landed fish;
- f) High labor intensity per unit of landed fish;
- g) In the case of well operated units of production, high financial and socio-economic returns on investment, with potential for optimal equity in revenues sharing and distribution.

The largest constraints to increased production are the unavailability of fishing inputs and absence of functioning input marketing channels. Credit and micro-finance facilities are very limited for small fishermen and the private sector dealing with them. Some fisheries operators (estimated 35%) have organized themselves into groups with savings and credit. The availability of informal loans is limited; they are small in size and mainly for consumption and working capital rather than investment purposes.

Fisheries Inc. has a project contract with the Ministry of Fisheries (IMPROVE THE FOOD SECURITY OF RESETTLED COMMUNITIES ALONG THE COAST) to facilitate the availability of fishing inputs to fishermen organized into groups or associations and to facilitate contact with wholesaler suppliers of fishing equipment and materials to assure procurement at the most competitive prices. Through this project, Fisheries Inc. also provides business development support services to support the fishing process and value chain with improved access to markets. Fisheries Inc. in partnership with a commercial bank will also promote the development of a strong fishing economy along the coast by developing access to finance. The overall goal of this Ministry project is to expand the fishing activities and improve fishers' incomes and their standard of living through the development of ten coastal artisanal fisheries centres and the provision of credit to boost their production, marketing capacity and food security.

2. Project Description: In support of the above project, Fisheries Inc., with the support of the Ministry of Fisheries, is requesting USAID support for training of fishing associations in business management and credit. This one-year USAID Project, "The ARTISANAL FISHERIES BUSINESS TRAINING PROJECT" has the specific objective of

institutional strengthening of 25 Fishing Associations and the development of the skills required for enterprise management by:

1. Training fishing associations through the use of an off-the-shelf fisheries business course (already developed by a local consulting firm and available for \$10,000 including training of Fisheries Inc. staff). Training courses for the Associations will each be 10 days.
2. Providing consultants and/or staff to work with the Fishing Associations in the development of business plans (15 days/per each of 25 Associations).
3. Expanding access by Fishing Associations (2,000 beneficiaries including 900 women; on average, each association is 80 members) to microfinance by providing required credit training in order to meet the requirements of the Commercial Bank. Fisheries Inc. has done this successfully in working with associations in other parts of the country. Each of the associations will receive 10 days of microfinance (savings and credit) training spread over two months.

Fisheries Inc. will use a savings and credit group methodology with a community-based approach to development activities. It will also use a training of trainer's approach which it has successfully used. Fisheries Inc. will provide project M&E including regular monthly follow-up visits.

Training topics will include savings and credit handling, basic accounting and bookkeeping, business development, credit management and group dynamics and leadership. In order to reflect the gender make-up of the fishing communities, Fisheries Inc. will ensure the participation of women as underserved clients particularly for fish processing and value added trading. It is recognized that extra resources for women enhances their bargaining power within the household, with important consequences for the way that labor, time, and consumption are allocated for nutrition and other household decisions.

The following records will be maintained for the training project on a quarterly basis:

- Number of participants at each training and number of participants successfully passing the business management course
- Number of participants at each Association meeting regarding business and credit training follow-ups
- Number of business plans developed and number of business plans financed by the Commercial bank
- ALL of the above will be disaggregated by gender

The monitoring and evaluation of the project's activities will be carried out as a regular management function. The Ministry of Fisheries and the Fisheries Inc. management will periodically evaluate the progress at least on a quarterly basis.

4. Workplan: A preliminary workplan is as follows:

1. Purchase fisheries management training course and staff trained in delivery - Month 1
2. Roll-out business management training to Associations – Month 2 and 3
3. Provide training in microfinance – Months 3 through Months 6
4. Select Staff/consultants and provide business plan consulting – Months 4, 5, 6
5. Monthly follow-up visits to Associations – Months 2-11
6. Closing workshop to synthesize training with Association boards – Month 11
7. Final project monitoring visits and reporting – Month 12

At the end of the Project, it is expected that the Association members will have at least 400 project-approved, credit-worthy business plans (as defined in supporting documentation). It is also expected that the commercial bank will make at least 350 - 400 group loans as a result of the work of this project (each loan benefitting approximately 4 members).

5. Fisheries Inc.: We are the off-shoot of an international project that ended and we formed and registered locally as a for-profit business. While we are technically well-versed, we have not had the resources to devote to building our own company. We have worked throughout the coastal areas of the country for the last two years. We have a dedicated management and staff, including 5 full time field officers and over a dozen part-time field officers (consultants) well versed in the fishing and small business sectors and living in the project areas. We have had some small project funding from several different Embassies in the country, and then we received the contract to work with the Ministry of Fisheries.

6. Summary of Project Budget

a) Business Management Training:

Purchase course and TOT: \$10,000

25 Association trainings: \$20 x 2000 participants (lunch and venue): \$40,000

Staff Instructors: \$50/day x 25 x 10: \$12,500

b) Credit Training

Association training: \$20 x 2000 (lunch and venue): \$40,000

Staff Instructors: \$50/day x 25 x 10: \$12,500

c) Business Planning

Business Consultants: \$75/day x 25 associations x 15 days: \$28,125

d) Monitoring and Evaluation

Monthly Follow-up assistance visits: 2 days x 12 months x 25 x \$50: \$30,000

Senior staff: 4 days/quarter x 4qtrs x \$200: \$3200

e) Closing Workshops for Association Board Members:

5 members x 25 x \$15 (lunch,venue,travel): \$1875

Instructors: \$50/day x 25 x 3: \$3750

NOTE: The Ministry of Fisheries is supplying staff transportation as part of the larger overall program.